

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
PUBLIC HEALTH BILL)

A BILL FOR

1 An Act relating to programs and services under the purview
2 of the department of public health including the board of
3 hearing aid dispensers and the medical residency training
4 matching grants program and including effective date and
5 retroactive applicability provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

HEARING AID SPECIALISTS

Section 1. Section 147.1, subsections 3 and 6, Code 2015, are amended to read as follows:

3. *“Licensed” or “certified”*, when applied to a physician and surgeon, podiatric physician, osteopathic physician and surgeon, physician assistant, psychologist, chiropractor, nurse, dentist, dental hygienist, dental assistant, optometrist, speech pathologist, audiologist, pharmacist, physical therapist, physical therapist assistant, occupational therapist, occupational therapy assistant, orthotist, prosthetist, pedorthist, respiratory care practitioner, practitioner of cosmetology arts and sciences, practitioner of barbering, funeral director, dietitian, marital and family therapist, mental health counselor, social worker, massage therapist, athletic trainer, acupuncturist, nursing home administrator, hearing aid ~~dispenser~~ specialist, or sign language interpreter or transliterator means a person licensed under this subtitle.

6. *“Profession”* means medicine and surgery, podiatry, osteopathic medicine and surgery, practice as a physician assistant, psychology, chiropractic, nursing, dentistry, dental hygiene, dental assisting, optometry, speech pathology, audiology, pharmacy, physical therapy, physical therapist assisting, occupational therapy, occupational therapy assisting, respiratory care, cosmetology arts and sciences, barbering, mortuary science, marital and family therapy, mental health counseling, social work, dietetics, massage therapy, athletic training, acupuncture, nursing home administration, practice as a hearing aid dispensing specialist, sign language interpreting or transliterating, orthotics, prosthetics, or pedorthics.

Sec. 2. Section 147.2, subsection 1, Code 2015, is amended to read as follows:

1. A person shall not engage in the practice of medicine

1 and surgery, podiatry, osteopathic medicine and surgery,
2 psychology, chiropractic, physical therapy, physical
3 therapist assisting, nursing, dentistry, dental hygiene,
4 dental assisting, optometry, speech pathology, audiology,
5 occupational therapy, occupational therapy assisting,
6 orthotics, prosthetics, pedorthics, respiratory care,
7 pharmacy, cosmetology arts and sciences, barbering, social
8 work, dietetics, marital and family therapy or mental health
9 counseling, massage therapy, mortuary science, athletic
10 training, acupuncture, nursing home administration, ~~hearing aid~~
11 ~~dispensing~~, or sign language interpreting or transliterating,
12 or shall not practice as a physician assistant or a hearing aid
13 specialist, unless the person has obtained a license for that
14 purpose from the board for the profession.

15 Sec. 3. Section 147.13, subsection 22, Code 2015, is amended
16 to read as follows:

17 22. For hearing aid ~~dispensing~~ specialists, the board of
18 hearing aid ~~dispensers~~ specialists.

19 Sec. 4. Section 147.14, subsection 1, paragraph v, Code
20 2015, is amended to read as follows:

21 v. For hearing aid ~~dispensers~~ specialists, three licensed
22 hearing aid ~~dispensers~~ specialists and two members who are not
23 licensed hearing aid ~~dispensers~~ specialists who shall represent
24 the general public. No more than two members of the board
25 shall be employees of, or ~~dispensers~~ specialists principally
26 for, the same hearing aid manufacturer.

27 Sec. 5. Section 154A.1, subsections 1, 3, 6, 7, and 9, Code
28 2015, are amended to read as follows:

29 1. "Board" means the board of hearing aid ~~dispensers~~
30 specialists.

31 3. "Dispense" or "sell" means a transfer of title or of
32 the right to use by lease, bailment, or any other means,
33 but excludes a wholesale transaction with a distributor or
34 ~~dispenser~~ hearing aid specialist, and excludes the temporary,
35 charitable loan or educational loan of a hearing aid without

1 remuneration.

2 6. "*Hearing aid fitting*" means the measurement of
3 human hearing by any means for the purpose of selections,
4 adaptations, and sales of hearing aids, ~~and~~ the instruction and
5 counseling pertaining ~~thereto~~ to the selections, adaptations,
6 and sales of hearing aids, ~~and~~ demonstration of techniques in
7 the use of hearing aids, and the making of earmold impressions
8 as part of the fitting of hearing aids.

9 7. "*License*" means a license issued by the state under this
10 chapter to a hearing aid dispensers specialist.

11 9. "*Temporary permit*" means a permit issued while the
12 applicant is in training to become a licensed hearing aid
13 ~~dispenser~~ specialist.

14 Sec. 6. Section 154A.1, subsection 5, Code 2015, is amended
15 by striking the subsection.

16 Sec. 7. Section 154A.1, Code 2015, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 6A. "*Hearing aid specialist*" means any
19 person engaged in the fitting, dispensing, and sale of hearing
20 aids and providing hearing aid services or maintenance, by
21 means of procedures stipulated by this chapter or the board.

22 Sec. 8. Section 154A.13, Code 2015, is amended to read as
23 follows:

24 **154A.13 Temporary permit.**

25 A person who has not been licensed as a hearing aid ~~dispenser~~
26 specialist may obtain a temporary permit from the department
27 upon completion of the application accompanied by the written
28 verification of employment from a licensed hearing aid
29 ~~dispenser~~ specialist. The department shall issue a temporary
30 permit for one year which shall not be renewed or reissued.
31 The fee for issuance of the temporary permit shall be set by
32 the board in accordance with the provisions for establishment
33 of fees in section 147.80. The temporary permit entitles an
34 applicant to engage in the fitting or selection and sale of
35 hearing aids under the supervision of a person holding a valid

1 license.

2 Sec. 9. Section 154A.19, Code 2015, is amended to read as
3 follows:

4 **154A.19 Exceptions.**

5 1. This chapter shall not prohibit a corporation,
6 partnership, trust, association, or other organization
7 maintaining an established business address from engaging in
8 the business of selling or offering for sale hearing aids at
9 retail without a license if it employs only licensed hearing
10 aid ~~dispensers~~ specialists in the direct fitting or selection
11 and sale of hearing aids. Such an organization shall file
12 annually with the board a list of all licensed hearing aid
13 ~~dispensers~~ specialists and persons holding temporary permits
14 directly or indirectly employed by it. Such an organization
15 shall also file with the board a statement on a form approved
16 by the board that the organization submits itself to the rules
17 and regulations of the board and the provisions of this chapter
18 which the department deems applicable.

19 2. This chapter shall not apply to a person who engages
20 in the practices covered by this chapter if this activity is
21 part of the academic curriculum of an accredited institution of
22 higher education, or part of a program conducted by a public
23 or charitable institution, or nonprofit organization, unless
24 the institution or organization also dispenses or sells hearing
25 aids.

26 3. This chapter shall not prevent any person from engaging
27 in practices covered by this chapter, provided the person, or
28 organization employing the person, does not dispense or sell
29 hearing aids.

30 Sec. 10. Section 154A.20, Code 2015, is amended to read as
31 follows:

32 **154A.20 Rights of purchaser.**

33 1. A hearing aid ~~dispenser~~ specialist shall deliver, to
34 each person supplied with a hearing aid, a receipt which
35 contains the licensee's signature and shows the licensee's

1 business address and the number of the license, together with
2 specifications as to the make, model, and serial number of the
3 hearing aid furnished, and full terms of sale clearly stated,
4 including the date of consummation of the sale of the hearing
5 aid. If a hearing aid is sold which is not new, the receipt and
6 the container must be clearly marked "used" or "reconditioned",
7 with the terms of guarantee, if any.

8 2. The receipt shall bear the following statement in type no
9 smaller than the largest used in the body copy portion of the
10 receipt:

11 The purchaser has been advised that any examination or
12 representation made by a licensed hearing aid ~~dispenser~~
13 specialist in connection with the fitting or selection and
14 selling of this hearing aid is not an examination, diagnosis,
15 or prescription by a person licensed to practice medicine in
16 this state and therefore, must not be regarded as medical
17 opinion or advice.

18 3. Whenever any of the following conditions are found to
19 exist either from observations by the licensed hearing aid
20 ~~dispenser~~ specialist or person holding a temporary permit or on
21 the basis of information furnished by a prospective hearing aid
22 user, the hearing aid ~~dispenser~~ specialist or person holding a
23 temporary permit shall, prior to fitting and selling a hearing
24 aid to any individual, suggest to that individual in writing
25 that the individual's best interests would be served if the
26 individual would consult a licensed physician specializing
27 in diseases of the ear, or if no such licensed physician is
28 available in the community, then a duly licensed physician:

29 a. Visible congenital or traumatic deformity of the ear.

30 b. History of, or active drainage from the ear within the
31 previous ninety days.

32 c. History of sudden or rapidly progressive hearing loss
33 within the previous ninety days.

34 d. Acute or chronic dizziness.

35 e. Unilateral hearing loss of sudden or recent onset within

1 the previous ninety days.

2 *f.* Significant air-bone gap (greater than or equal to 15dB
3 ANSI 500, 1000 and 2000 Hz. average).

4 *g.* Obstruction of the ear canal, by structures of
5 undetermined origin, such as foreign bodies, impacted cerumen,
6 redness, swelling, or tenderness from localized infections of
7 the otherwise normal ear canal.

8 4. A copy of the written recommendation shall be retained by
9 the licensed hearing aid ~~dispenser~~ specialist for the period
10 of seven years. A person receiving the written recommendation
11 who elects to purchase a hearing aid shall sign a receipt for
12 the same, and the receipt shall be kept with the other papers
13 retained by the licensed hearing aid ~~dispenser~~ specialist for
14 the period of seven years. Nothing in this section required
15 to be performed by a licensed hearing aid ~~dispenser~~ specialist
16 shall mean that the hearing aid ~~dispenser~~ specialist is engaged
17 in the diagnosis of illness or the practice of medicine or any
18 other activity prohibited by this chapter.

19 5. No hearing aid shall be sold by any individual licensed
20 under this chapter to a person twelve years of age or younger,
21 unless within the preceding six months a recommendation for
22 a hearing aid has been made by a physician specializing in
23 otolaryngology. A replacement of an identical hearing aid
24 within one year shall be an exception to this requirement.

25 6. A licensed hearing aid ~~dispenser~~ specialist shall, upon
26 the consummation of a sale of a hearing aid, keep and maintain
27 records in the ~~dispenser's~~ specialist's office or place of
28 business at all times and each such record shall be kept
29 and maintained for a seven-year period. These records shall
30 include:

31 *a.* Results of test techniques as they pertain to fitting of
32 the hearing aids.

33 *b.* A copy of the written receipt and the written
34 recommendation.

35 Sec. 11. Section 154A.21, Code 2015, is amended to read as

1 follows:

2 **154A.21 Notice of address.**

3 1. A licensee or person holding a temporary permit shall
4 notify the department in writing of the address of the place
5 where the licensee or permittee engages or intends to engage in
6 business as a hearing aid ~~dispenser~~ specialist. The department
7 shall keep a record of the place of business of licensees and
8 persons holding temporary permits.

9 2. Any notice required to be given by the department to a
10 licensee shall be adequately served if sent by certified mail
11 to the address of the last place of business recorded.

12 Sec. 12. Section 154A.24, subsection 3, paragraphs e and i,
13 Code 2015, are amended to read as follows:

14 e. Representing that the service or advice of a person
15 licensed to practice medicine, or one who is certificated as
16 a clinical audiologist by the board of speech pathology and
17 audiology or its equivalent, will be used or made available in
18 the fitting or selection, adjustment, maintenance, or repair
19 of hearing aids when that is not true, or using the words
20 "doctor", "clinic", "clinical audiologist", "state approved",
21 or similar words, abbreviations, or symbols which tend to
22 connote the medical or other professions, except where the
23 title "certified hearing aid audiologist" has been granted
24 by the national hearing aid society, or that the hearing aid
25 ~~dispenser~~ specialist has been recommended by this state or the
26 board when such is not accurate.

27 i. Directly or indirectly giving or offering to give, or
28 permitting or causing to be given, money or anything of value
29 to a person who advises another in a professional capacity, as
30 an inducement to influence the person or cause the person to
31 influence others to purchase or contract to purchase products
32 sold or offered for sale by a hearing aid ~~dispenser~~ specialist,
33 or to influence others to refrain from dealing in the products
34 of competitors.

35 Sec. 13. Section 154A.25, subsection 2, Code 2015, is

1 amended to read as follows:

2 2. Purchase or procure by barter a license or temporary
3 permit with intent to use it as evidence of the holder's
4 qualifications to engage in business as a hearing aid ~~dispenser~~
5 specialist.

6 Sec. 14. Section 154F.2, subsection 1, paragraph b, Code
7 2015, is amended to read as follows:

8 b. Hearing aid fitting, the dispensing or sale of hearing
9 aids, and the providing of hearing aid service and maintenance
10 by a hearing aid ~~dispenser~~ specialist or holder of a temporary
11 permit as defined and licensed under chapter 154A.

12 Sec. 15. Section 154F.2, subsection 2, Code 2015, is amended
13 to read as follows:

14 2. A person exempted from the provisions of this chapter by
15 this section shall not use the title "speech pathologist" or
16 "audiologist" or any title or device indicating or representing
17 in any manner that the person is a speech pathologist or is
18 an audiologist; provided, a hearing aid ~~dispenser~~ specialist
19 licensed under chapter 154A may use the title "certified
20 hearing aid audiologist" when granted by the national hearing
21 aid society; and provided, persons who meet the requirements
22 of section 154F.3, subsection 1, who are certified by the
23 department of education as speech clinicians may use the title
24 "speech pathologist" and persons who meet the requirements
25 of section 154F.3, subsection 2, who are certified by the
26 department of education as hearing clinicians may use the
27 title "audiologist", while acting within the scope of their
28 employment.

29 Sec. 16. Section 216E.7, Code 2015, is amended to read as
30 follows:

31 **216E.7 Exemptions.**

32 This chapter does not apply to a hearing aid sold, leased,
33 or transferred to a consumer by an audiologist licensed under
34 chapter 154F, or a hearing aid ~~dispenser~~ specialist licensed
35 under chapter 154A, if the audiologist or ~~dispenser~~ specialist

1 provides either an express warranty for the hearing aid or
2 provides for service and replacement of the hearing aid.

3 Sec. 17. Section 272C.1, subsection 6, paragraph v, Code
4 2015, is amended to read as follows:

5 v. The board of hearing aid ~~dispensers~~ specialists, created
6 pursuant to chapter 154A.

7 DIVISION II

8 MEDICAL RESIDENCY TRAINING STATE MATCHING GRANTS PROGRAM —
9 REENACTMENT

10 Sec. 18. NEW SECTION. 135.176 **Medical residency training**
11 **state matching grants program.**

12 1. The department shall establish a medical residency
13 training state matching grants program to provide matching
14 state funding to sponsors of accredited graduate medical
15 education residency programs in this state to establish,
16 expand, or support medical residency training programs.
17 Funding for the program may be provided through the health
18 care workforce shortage fund or the medical residency training
19 account created in section 135.175. For the purposes of this
20 section, unless the context otherwise requires, "accredited"
21 means a graduate medical education program approved by the
22 accreditation council for graduate medical education or the
23 American osteopathic association. The grant funds may be
24 used to support medical residency programs through any of the
25 following:

26 a. The establishment of new or alternative campus accredited
27 medical residency training programs. For the purposes of
28 this paragraph, "*new or alternative campus accredited medical*
29 *residency training program*" means a program that is accredited
30 by a recognized entity approved for such purpose by the
31 accreditation council for graduate medical education or the
32 American osteopathic association with the exception that
33 a new medical residency training program that, by reason
34 of an insufficient period of operation is not eligible for
35 accreditation on or before the date of submission of an

1 application for a grant, may be deemed accredited if the
2 accreditation council for graduate medical education or the
3 American osteopathic association finds, after consultation with
4 the appropriate accreditation entity, that there is reasonable
5 assurance that the program will meet the accreditation
6 standards of the entity prior to the date of graduation of the
7 initial class in the program.

8 *b.* The provision of new residency positions within existing
9 accredited medical residency or fellowship training programs.

10 *c.* The funding of residency positions which are in excess of
11 the federal residency cap. For the purposes of this paragraph,
12 *"in excess of the federal residency cap"* means a residency
13 position for which no federal Medicare funding is available
14 because the residency position is a position beyond the cap for
15 residency positions established by the federal Balanced Budget
16 Act of 1997, Pub. L. No. 105-33.

17 2. The department shall adopt rules pursuant to chapter 17A
18 to provide for all of the following:

19 *a.* Eligibility requirements for and qualifications
20 of a sponsor of an accredited graduate medical education
21 residency program to receive a grant. The requirements and
22 qualifications shall include but are not limited to all of the
23 following:

24 (1) Only a sponsor that establishes a dedicated fund to
25 support a residency program that meets the specifications of
26 this section shall be eligible to receive a matching grant. A
27 sponsor funding residency positions in excess of the federal
28 residency cap, as defined in subsection 1, paragraph *"c"*,
29 exclusive of funds provided under the medical residency
30 training state matching grants program established in this
31 section, is deemed to have satisfied this requirement and
32 shall be eligible for a matching grant equal to the amount of
33 funds expended for such residency positions, subject to the
34 limitation on the maximum award of grant funds specified in
35 paragraph *"e"*.

1 (2) A sponsor shall demonstrate, through documented
2 financial information as prescribed by rule of the department,
3 that funds have been reserved and will be expended by the
4 sponsor in the amount required to provide matching funds for
5 each residency proposed in the request for state matching
6 funds.

7 (3) A sponsor shall demonstrate, through objective evidence
8 as prescribed by rule of the department, a need for such
9 residency program in the state.

10 *b.* The application process for the grant.

11 *c.* Criteria for preference in awarding of the grants,
12 including preference in the residency specialty.

13 *d.* Determination of the amount of a grant. The total amount
14 of a grant awarded to a sponsor shall be limited to no more
15 than twenty-five percent of the amount that the sponsor has
16 demonstrated through documented financial information has been
17 reserved and will be expended by the sponsor for each residency
18 sponsored for the purpose of the residency program.

19 *e.* The maximum award of grant funds to a particular
20 individual sponsor per year. An individual sponsor shall not
21 receive more than twenty-five percent of the state matching
22 funds available each year to support the program. However,
23 if less than ninety-five percent of the available funds has
24 been awarded in a given year, a sponsor may receive more than
25 twenty-five percent of the state matching funds available
26 if total funds awarded do not exceed ninety-five percent of
27 the available funds. If more than one sponsor meets the
28 requirements of this section and has established, expanded,
29 or supported a graduate medical residency training program,
30 as specified in subsection 1, in excess of the sponsor's
31 twenty-five percent maximum share of state matching funds, the
32 state matching funds shall be divided proportionately among
33 such sponsors.

34 *f.* Use of the funds awarded. Funds may be used to pay the
35 costs of establishing, expanding, or supporting an accredited

1 graduate medical education program as specified in this
2 section, including but not limited to the costs associated with
3 residency stipends and physician faculty stipends.

4 Sec. 19. EFFECTIVE DATE. This division of this Act, being
5 deemed of immediate importance, takes effect upon enactment.

6 Sec. 20. APPLICABILITY. This division of this Act applies
7 retroactively to June 30, 2014.

8 DIVISION III

9 MEDICAL RESIDENCY TRAINING STATE MATCHING GRANTS PROGRAM —
10 AMENDMENTS

11 Sec. 21. Section 135.176, as enacted in this Act, is amended
12 to read as follows:

13 **135.176 Medical residency training state matching grants**
14 **program.**

15 1. The department shall establish a medical residency
16 training state matching grants program to provide matching
17 state funding to sponsors of accredited graduate medical
18 education residency programs in this state to establish,
19 expand, or support medical residency training programs.
20 Funding for the program may be provided through the health
21 care workforce shortage fund or the medical residency training
22 account created in section 135.175. For the purposes of this
23 section, unless the context otherwise requires, "*accredited*"
24 means a graduate medical education program approved by the
25 accreditation council for graduate medical education or the
26 American osteopathic association. The grant funds may be
27 used to support medical residency programs through any of the
28 following:

29 *a.* The establishment of new or alternative campus accredited
30 medical residency training programs. For the purposes of
31 this paragraph, "*new or alternative campus accredited medical*
32 *residency training program*" means a program that is accredited
33 by a recognized entity approved for such purpose by the
34 accreditation council for graduate medical education or the
35 American osteopathic association with the exception that

1 a new medical residency training program that, by reason
2 of an insufficient period of operation is not eligible for
3 accreditation on or before the date of submission of an
4 application for a grant, may be deemed accredited if the
5 accreditation council for graduate medical education or the
6 American osteopathic association finds, after consultation with
7 the appropriate accreditation entity, that there is reasonable
8 assurance that the program will meet the accreditation
9 standards of the entity prior to the date of graduation of the
10 initial class in the program.

11 *b.* The provision of new residency positions within existing
12 accredited medical residency or fellowship training programs.

13 *c.* The funding of residency positions which are in excess of
14 the federal residency cap. For the purposes of this paragraph,
15 *"in excess of the federal residency cap"* means a residency
16 position for which no federal Medicare funding is available
17 because the residency position is a position beyond the cap for
18 residency positions established by the federal Balanced Budget
19 Act of 1997, Pub. L. No. 105-33.

20 2. The department shall adopt rules pursuant to chapter 17A
21 to provide for all of the following:

22 *a.* Eligibility requirements for and qualifications
23 of a sponsor of an accredited graduate medical education
24 residency program to receive a grant. The requirements and
25 qualifications shall include but are not limited to all of the
26 following:

27 ~~(1) Only a sponsor that establishes a dedicated fund to~~
28 ~~support a residency program that meets the specifications of~~
29 ~~this section shall be eligible to receive a matching grant. A~~
30 ~~sponsor funding residency positions in excess of the federal~~
31 ~~residency cap, as defined in subsection 1, paragraph "c",~~
32 ~~exclusive of funds provided under the medical residency~~
33 ~~training state matching grants program established in this~~
34 ~~section, is deemed to have satisfied this requirement and~~
35 ~~shall be eligible for a matching grant equal to the amount of~~

1 ~~funds expended for such residency positions, subject to the~~
2 ~~limitation on the maximum award of grant funds specified in~~
3 ~~paragraph "e".~~

4 (2) A sponsor shall demonstrate, ~~through documented~~
5 ~~financial information as prescribed by rule of the department,~~
6 that funds have been reserved budgeted and will be expended by
7 the sponsor in the amount required to provide matching funds
8 for each residency proposed in the request for state matching
9 funds.

10 (3) (2) A sponsor shall demonstrate, through objective
11 evidence as prescribed by rule of the department, a need for
12 such residency program in the state.

13 b. The application process for the grant.

14 c. Criteria for preference in awarding of the grants,
15 including preference in the residency specialty.

16 d. Determination of the amount of a grant. The total amount
17 of a grant awarded to a sponsor proposing the establishment
18 of a new or alternative campus accredited medical residency
19 training program as defined in subsection 1, paragraph "a",
20 shall be limited to no more than ~~twenty-five~~ one hundred
21 percent of the amount the sponsor has budgeted as demonstrated
22 under paragraph "a". The total amount of a grant awarded to
23 a sponsor proposing the provision of a new residency position
24 within an existing accredited medical residency or fellowship
25 training program as specified in subsection 1, paragraph "b"
26 or the funding of residency positions which are in excess of
27 the federal residency cap as defined in subsection 1, paragraph
28 "c", shall be limited to no more than twenty-five percent of
29 the amount that the sponsor has ~~demonstrated through documented~~
30 financial information has been reserved and will be expended by
31 the sponsor budgeted for each residency position sponsored for
32 the purpose of the residency program.

33 e. The maximum award of grant funds to a particular
34 individual sponsor per year. An individual sponsor that
35 establishes a new or alternative campus accredited medical

1 residency training program as defined in subsection 1,
2 paragraph "a" shall not receive more than ~~twenty-five~~ fifty
3 percent of the state matching funds available each year to
4 support the program. ~~However, if less than ninety-five percent~~
5 of the available funds has been awarded in a given year, a
6 sponsor may receive more than ~~twenty-five~~ percent of the
7 state matching funds available if total funds awarded do not
8 exceed ~~ninety-five~~ percent of the available funds. If more
9 than one sponsor meets the requirements of this section and
10 has established, expanded, or supported a graduate medical
11 residency training program, as specified in subsection 1, in
12 excess of the sponsor's ~~twenty-five~~ percent maximum share of
13 state matching funds, the state matching funds shall be divided
14 proportionately among such sponsors. An individual sponsor
15 proposing the provision of a new residency position within an
16 existing accredited medical residency or fellowship training
17 program as specified in subsection 1, paragraph "b" or the
18 funding of residency positions which are in excess of the
19 federal residency cap as defined in subsection 1, paragraph "c",
20 shall not receive more than ~~twenty-five~~ percent of the state
21 matching funds available each year to support the program.

22 *f.* Use of the funds awarded. Funds may be used to pay the
23 costs of establishing, expanding, or supporting an accredited
24 graduate medical education program as specified in this
25 section, including but not limited to the costs associated with
26 residency stipends and physician faculty stipends.

27

EXPLANATION

28 The inclusion of this explanation does not constitute agreement with
29 the explanation's substance by the members of the general assembly.

30 This bill relates to programs and services under the purview
31 of the department of public health.

32 Division I of the bill changes references to and relating
33 to "hearing aid dispensers" to "hearing aid specialists".

34 The bill changes the references to the "board of hearing aid
35 dispensers" to the "board of hearing aid specialists" and makes

1 other conforming changes throughout the Code.

2 Division II of the bill relates to the medical residency
3 training state matching grants program. The medical residency
4 training state matching grants program (Code 2013), section
5 135.176, that was repealed on June 30, 2014, is reenacted as
6 amended in 2014 Iowa Acts, chapter 1190, section 7.

7 Division III of the bill amends the newly reenacted Code
8 section 135.176, to provide that instead of a requirement that
9 a sponsor establish a dedicated fund to support a residency
10 program, a sponsor shall demonstrate that funds have been
11 budgeted in the amount required in the request for matching
12 funds. Additionally, the bill provides that the limit on the
13 total amount of a grant made to a sponsor is based upon the
14 type of residency position to be funded. Under the bill, the
15 limit is no more than 100 percent of the amount the sponsor
16 budgeted if the sponsor is proposing the establishment of
17 a new or alternative campus accredited medical residency
18 training program, and the limit is not more than 25 percent
19 of the amount the sponsor has budgeted if the sponsor is
20 proposing provision of a new residency position within an
21 existing accredited medical residency or fellowship training
22 program or the funding of residency positions which are in
23 excess of the federal residency cap. Under the bill, the
24 maximum award of grant funds to a particular sponsor that
25 establishes a new or alternative campus accredited medical
26 residency training program shall be not more than 50 percent
27 of the state matching funds available each year; and the
28 maximum award to a particular sponsor that is proposing
29 provision of a new residency position within an existing
30 accredited medical residency or fellowship training program
31 or the funding of residency positions which are in excess of
32 the federal residency cap shall not be more than 25 percent of
33 the state matching funds available each year. Under the bill,
34 unlike under the prior program, there is not a formula for the
35 awarding of funds if less than 95 percent of the available

S.F. _____ H.F. _____

1 funds were awarded.

DRAFT



Division I Background and Summary: The [Iowa Board of Hearing Aid Dispensers](#) that is under the purview of the Bureau of Professional Licensure in the Iowa Department of Public Health (IDPH) requests that the term “dispensers” be replaced with the term “specialists” where applicable in Iowa code. The “Board of Hearing Aid Specialists” is consistent with the name change adopted by the [International Hearing Society](#) (IHS). The IHS provides education and training programs for hearing health professionals and provides the licensure examination for most states, including Iowa. The IHS requests that all licensing jurisdictions and government entities, like the Iowa Board of Hearing Aid Dispensers, make this change. Use of this term “hearing aid specialists” should reduce confusion among consumers and policymakers. The Board voted to proceed with the change on August 4, 2014.

Section by Section Division Summary:

Sections 1-3 amend Iowa Code Chapter [147](#) (General Provisions, Health-Related Professions) by replacing the term “dispenser” with the term “specialist” where applicable. Minor technical changes are also made for grammatical purposes.

Sections 2-13 amend Iowa Code Chapter [154A](#) (Hearing Aids) by replacing the term “dispenser” with the term “specialist” where applicable. Minor technical changes are also made for grammatical purposes. Section 6 strikes the definition of “hearing aid dispenser” and Section 7 adds a definition of “hearing aid specialist” to the chapter.

Sections 14-15 amend Iowa Code Chapter [154F](#) (Speech Pathology and Audiology) by replacing the term “dispenser” with the term “specialist” where applicable.

Section 16 amends Iowa Code Chapter [216E](#) (Assistive Devices) by replacing the term “dispenser” with the term “specialist” where applicable.

Section 17 amends Iowa Code Chapter 272C (Regulation of Licensed Professions and Occupations) by replacing the term “dispenser” with the term “specialist” where applicable.

Division II Background and Summary:

Division II fixes an error in Senate File 2196 ([2014 Iowa Acts, Chapter 1106](#)) that passed the legislature and was signed into law by the Governor on May 23, 2014. The purpose of the legislation was to repeal specific sunset dates and extend others for several programs and accounts related to the Health Care Workforce Support Initiative established in Iowa Code Sections [135.175](#) and [135.176](#). The repeal date of June 30, 2014 occurred before the bill’s enactment date of July 1, 2014 therefore the code sections were repealed despite the legislative intent to have them continue. **Sections 18-20** re-insert code section 135.176 and make it retroactively apply as intended to enable ongoing operations of the medical residency grants program. The department is recommending changes to the original Code section as provided for in Division III of this legislation. All other applicable code sections from SF 2196 will be reinstated as well, however, those will be located in the Iowa Code Editor’s annual code clean-up and corrective actions’ bill. Currently the file number is unknown for Iowa Code Editor’s bill as it has yet to be introduced.

Division III Background and Summary:

Iowa Code Section 135.176 established the Medical Residency Training State Matching Grants Program under IDPH. It was adopted by the General Assembly and signed into law in 2009. The language was dormant until funding was provided to the program in FY 2014 in the amount of \$2.0 million. The same amount was appropriated in FY 2015. The Governor has recommended an increase of \$1.0 million for a total of \$3.0 million for the program in FY 2016 and FY 2017.



The goals of the program are in response to numerous studies that indicate that physicians are more likely to remain in the state in which they obtained graduate medical education (residencies). It is no secret that Iowa has a physician shortage issue. In the past decade, Iowa has fallen further and further behind in the number of active physicians per 100,000 residents. Iowa is 46th in the nation in internal medicine doctors, 47th in the nation in pediatric doctors, and 48th in psychiatrists. The state is last in both emergency medicine doctors and obstetrics and gynecology doctors. Expanding access to more residency training slots in Iowa may increase the number of physicians remaining in the state to practice.

The department conducted the first request for proposals process (RFP) in 2014 and awarded funding to all four bidders that applied. There is a strong desire amongst policymakers, stakeholders, and IDPH to see the funding used for new residency slots in existing programs and establishment of new residency programs to meet the goal of getting additional residents into the system. There was an increase in new slots for residencies however proposals for new programs were not received. IDPH proposes the following changes with the goal of making the program more attractive to entities wanting to establish new programs for any discipline. They include increasing the value of the state award for new programs and simplifying the processes in the application requirements.

Section by Section Division Summary:

Section 21 amends Iowa Code Section 135.176 for two purposes. The first change relates to a burdensome application requirement. Currently, an applicant is required to show that they have already attained the required match before an award can be made. Amounts to be raised by some sponsors for the program could be in the millions of dollars. The department recognizes that it may be difficult for a sponsor to raise funds and set those monies aside in an account prior to making application. The department is proposing a more attainable goal of showing a budget for the matching amount. This way, entities can create payment plans and incremental installments of committed funds. Sponsors will still be required to prove matching funds have been spent for program purposes.

The second change relates to the matching requirement for new programs. It is clear that the current matching requirement is not attractive enough to entice new programs to be established. Currently the match is only 25% from the state – for every \$4 in sponsor-provided funds that are dedicated, one dollar of state match is provided. The bill proposes to increase the match to 100% and for new programs only.

Separately, a cap on the total award for sponsors is still maintained but an adjustment upward to no more than 50% of the available funds is proposed for purposes of new program creation. This is increased from 25% in the current code language.

The table below provides information on the 2014 grantees.



2014 Medical Residency Program Awards:

Applicant	Option A, B or C	Discipline	Total Award 10/2014- 6/2017
Cedar Rapids Medical Education Foundation	B Expanding -Create family physicians through the creation of new curriculum in 2014 and the addition of family residency physicians in the 2015 match process	Family Medicine	\$85,275
Mercy Medical Center – Des Moines	B Expanding -Increase by one, the number of plastic surgeon fellowships each year until full program capacity of 3 fellows per year is reached	Plastic Surgery	\$197,816
UnityPoint Health – Des Moines	B Expanding -Increase by one resident per year the number of pediatric residency positions in Blank Children’s Hospital pediatric residency program	Pediatric Residency	\$707,557
University of Iowa Hospitals and Clinics	C In excess of the federal residency cap -Applicant will maintain and support existing primary care residencies particularly in family medicine and psychiatry	Family Medicine and Psychiatry	\$1,000,000
Total Funds Requested			\$1,990,648